

Amendments to the Specification:

On page 8, beginning on about line 2, please replace the paragraph beginning at line 1 with the following:

Table 1

| Mole% dplUdR | Conc. dplUdR (mg/ml) | Conc. Phospholipide phosphorus (mg/ml) | Drug/lipid ratio (mol/mol) | liposome size after extrusion (nm) |
|-----------------|-------------------------|---|----------------------------------|--|
| 6 | 2.35 | 1.50 | 4.57 0.06 | 90 |
| 6 | 3.48 | 2.19 | 4.59 0.06 | 120 |
| 7.5 | 2.06 | 1.10 | 4.87 0.08 | 102 |
| 10 | 3.37 | 1.17 | 2.88 0.10 | 143 |

On page 11, please replace the paragraph on lines 6-10 with the following:

Table 3

| Mole percent dplUdR | Conc. dplUdR (mg/ml) | Drug/lipid ratio (mol/mol) | Liposome size (nm) |
|------------------------|-------------------------|-------------------------------|-----------------------|
| 6 | 1.25 | 4.67 0.06 | 99 |
| 10 | 2.32 | 3.17 0.11 | 95 |
| 15 | 4.09 | 4.65 0.18 | 103 |
| 25 | 6.90 | 8.94 0.33 | 142 |
| 40 | - | [-] 0.67 | -* |

*composition could not be extruded

On page 11, replace the paragraph on lines 11-21 with the following:

Liposomes containing 6, 10 and 15 mole percent dplUdR were readily sized to about 100 nm when prepared according to the method of the invention by hydrating the lipid mixture to an amount of lipid solvent that gives a minimum particle size. Importantly, the liposomes are formed at the minimum particle size with a molar drug-to-lipid ratio of between about ~~1.5 and 5~~ 0.06-0.67, ~~more generally between about 2-4~~. In a preferred embodiment of the invention, liposomes having the desired particle size are prepared using the method to a molar drug-to-lipid ratio of greater than about [4] 0.18, as achieved with the liposome composition having 15 mole percent dplUdR.